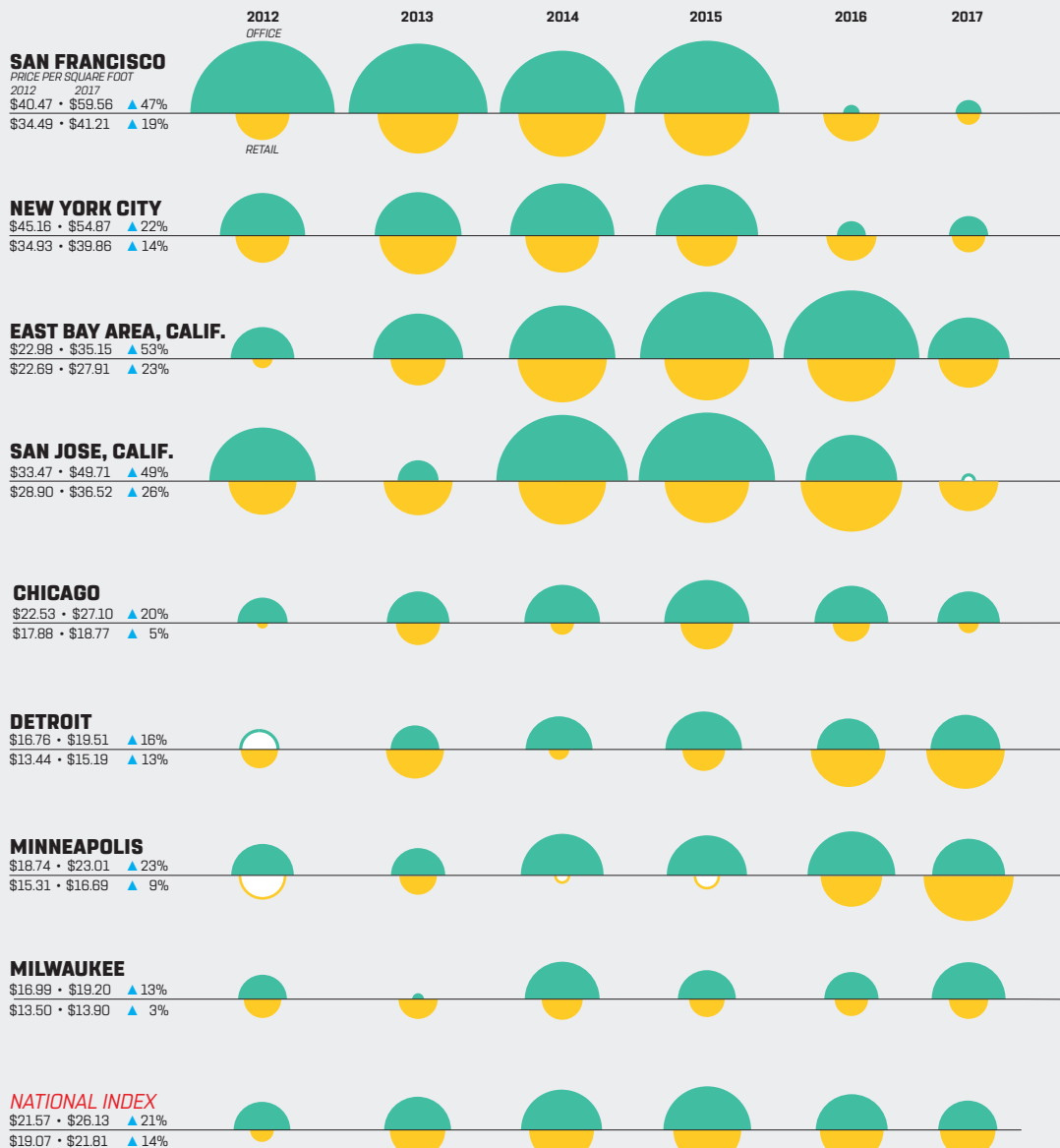


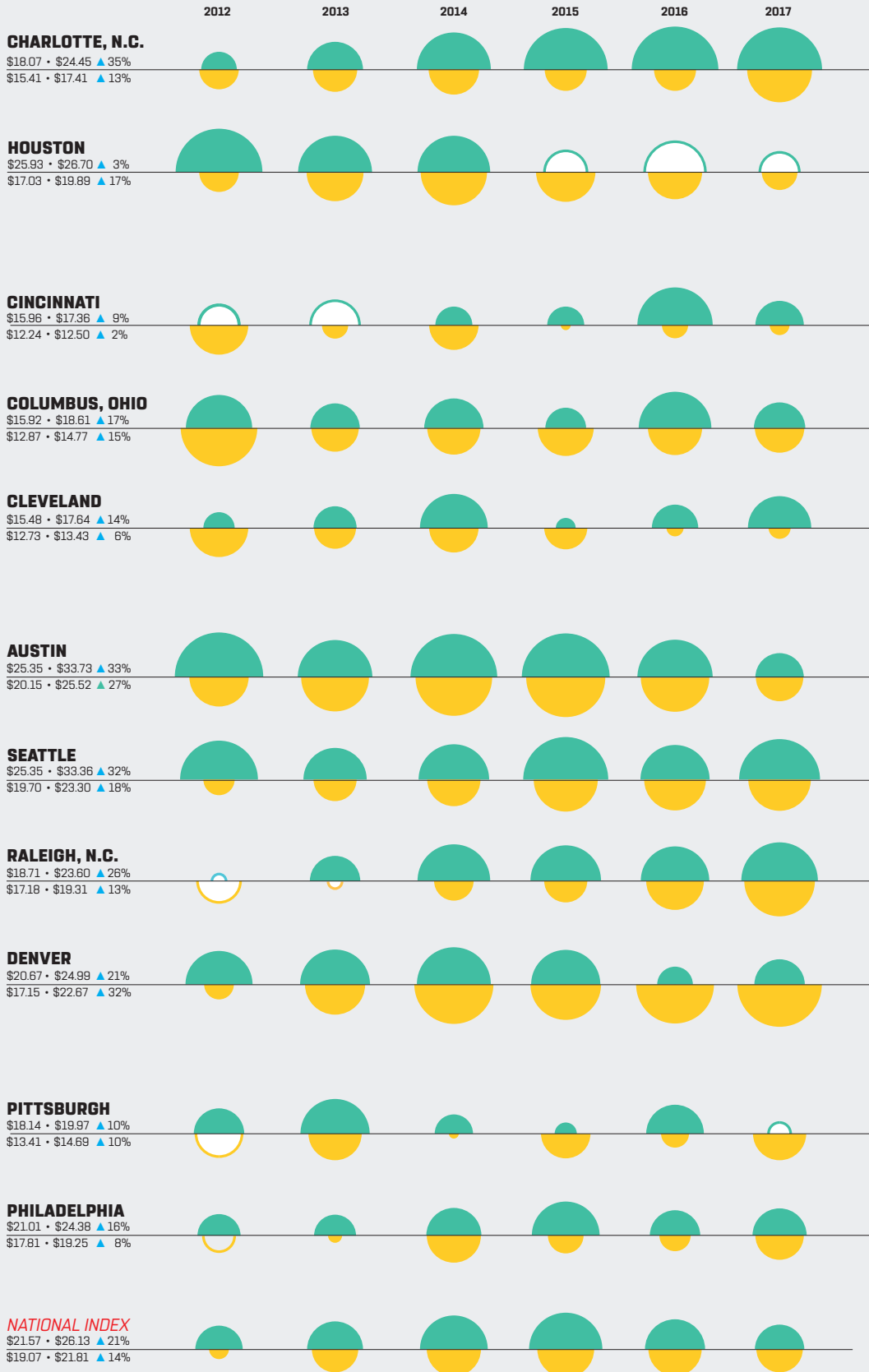
# L | Data Center Nothing Going On but the Rent

Space for your business never comes cheap, especially if you're slugging it out in a major city, where rents seem to rise ceaselessly. Or do they? Data from commercial real estate analyst CoStar Group shows serious fluctuations in office and retail rent trends among major U.S. metro areas, and that not every hot region of the moment (hello, Pittsburgh) has rent spikes to match its rep. But if your business is in Charlotte or Seattle and you locked in a long-term lease long ago: Good move. Those cities' commercial rents have been rising fast, and show no signs of stopping. ▶ **MICHELLE CHENG**



**THE HOT MARKETS COOL DOWN**  
No one seeking retail or office space would call San Francisco or New York City affordable, but two of the nation's most overheated real estate markets have seen rents stabilize. "We're meeting the stratosphere of the market," says Transwestern senior managing director Edward Del Beccaro. How high can rents go before companies cannot manage to pay employees? Meanwhile, office costs in San Francisco's neighboring cities in the East Bay Area have risen sharply—suggesting companies are chasing space across the Bay and Golden Gate bridges.

**MIDWESTERN THAW**  
Despite flatter retail rents, prices for office space in Chicago continue to rise, thanks to the move of key corporate headquarters from the suburbs to downtown—McDonald's and Wilson Sporting Goods, to name two. The revitalization of Detroit remains a work in progress, but a stronger downtown is raising rents across the board, albeit from a low base.



### A TALE OF TWO CITIES

There's a difference between these boomtowns—but even before Harvey, Houston's boom resulted in overbuilding, which weakened office rent rates, says Garrick Brown, vice president of retail intelligence at Cushman & Wakefield.

### ONE REGION'S STORY

It's hard to draw parallels among Ohio's big cities—for one thing, Columbus has been rising while Cleveland still struggles. But these cities' rents have, to some extent, been rising and falling in counterpoint to one another, suggesting that Columbus's gain could be Cleveland's or Cincinnati's loss—and vice versa.

### THE NEXT TIER RISES

These consistently hot markets are magnets for tech startups and upwardly mobile Millennials. All boast low unemployment, enviable cultural amenities, and strong university roots—they're prime alternatives for companies and citizens who, in other times, might have ended up in New York, San Francisco, or L.A.

### KEYSTONE TRENDS

Pittsburgh's latest reinvention, as a robotics and self-driving-car hot spot and overall cool-kid destination, hasn't made office rents skyrocket. They are rising faster in its cross-state rival, Philadelphia, which, until very recently, had largely missed out on the big-city real estate boom.